

### **Internal Control Assessment Dollar Amount Limits**

#### **Purpose**

To ensure that proper internal controls exist regarding FSA's credit card program for small purchases.

#### **Background**

The General Service Administration (GSA) is responsible for administering the small purchase card program commonly referred to as the Smartpay program. In accordance with GSA requirements, FSA credit cardholders have various limits on the amounts of their credit card purchase. FSA credit cardholders have a single purchase limitation, which prohibits them from acquiring goods or services over a designated dollar threshold. Also, FSA cardholders have a monthly purchase limitation that prohibits them from making a total monthly purchase over a designated dollar threshold.

Single purchase limits and monthly purchase limits are established when an account is established for each FSA cardholder. The single purchase limit is a dollar amount limit for each individual purchase made with a credit card during a billing period. For micro-purchases, the single purchase limit may be established up to \$2,500.

The monthly limit represents the cumulative dollar limit a cardholder can purchase each month. Each of these limits will be established by a cardholder's Approving Official or Agency/Organization Program Coordinator. Other restrictions such as number of transactions and merchant category codes may apply. It is the responsibility of all purchase cardholders to understand and comply with their single purchase and monthly purchase limits before making any purchases.

#### **Internal Control Standard**

FSA must ensure that cardholders do not exceed their single purchase and monthly purchase limitations, when they acquire goods or services with their small purchase credit card.

**Assessment of FSA's Compliance\***

We interviewed FSA employees familiar with FSA small purchase credit card program to determine if cardholders understood their dollar limits. In addition we reviewed various monthly management reports provided by the charge card and determined that there were XX statements of FSA cardholders exceeding both single and monthly dollar amount limitations.

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\* The actual testing phase including interviews and examination of sampled records has not yet occurred. This write-up is only a sample of what may be discovered during the testing phase of the FMFIA process.